



**BATES COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 1999**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2001-24
March 23, 2001
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

March 2001

www.auditor.state.mo.us

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Bates, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also perform a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Bates County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit.

- Several similar concerns were noted in the Prosecuting Attorney's records which had been reported in prior audits. The Prosecuting Attorney collects a deferred prosecution fee of \$50 on criminal cases which are not prosecuted, with the understanding that charges will not be filed unless the defendant has other violations during the subsequent two years. These fees are used to fund a petty cash fund in the Prosecuting Attorney's office.
 - The Prosecuting Attorney could provide no legal authority for the collection of the deferred prosecution fee.
 - Due to inadequate record keeping and lack of supporting documentation of these monies, the total amount received from deferred prosecution fees during 1998 and 1999 was unable to be determined. While the Prosecuting Attorney estimated these fees totaled approximately \$500 during 1998 and 1999, the amount actually received could have been significantly more.
 - Deferred prosecution fees received are not deposited nor remitted to the county treasury as accountable fees; rather, they are used to purchase soda, coffee and snacks for office employees.

Collecting unauthorized fees from defendants should be discontinued. Any authorized fee should be properly accounted for.

- State law allows the Prosecuting Attorney to charge an administrative handling fee for the collection of bad check restitutions and for the fees to be deposited by the County Treasurer into a separate interest-bearing fund to be expended based on warrants issued by the Prosecuting Attorney.
 - Contrary to state law, the Prosecuting Attorney has custody of the Prosecuting Attorney Bad Check Fund.
 - In December 1999 and 1998, the Prosecuting Attorney authorized payments from the fund totaling \$625 and \$450, respectively, to his employees as bonuses. These payments were not included in the county payroll records, were not subject to the proper withholdings, and were not reported on the employees' W-2 forms. Additionally, the Prosecuting Attorney paid premiums of \$1,160 for a professional liability policy and was reimbursed travel expenses in excess of the county's policy.
- Other concerns noted in the Prosecuting Attorney's records included not reconciling his restitution account bank balance to liabilities, paying out restitution monies to individuals other than those upon whose behalf the money was collected, and maintaining custody of a forfeiture account contrary to an Attorney General's Opinion.
- Formal budgets were not prepared for some county funds and budgets were not obtained from other county officials for some county funds held outside the county treasury for the years ended December 31, 1999, and 1998. Additionally, the annual published financial statements of the county did not include the financial activity of some county funds as required by state law.
- The Sheriff has not established a written policy to govern the operation of the prisoner work release program. This policy should require the prisoner to sign an application for work release, which establishes the terms and conditions for the program. The terms and conditions should include, at a minimum, who the employer is, work schedule, work site location, who receives the prisoner's paycheck, who is to maintain the funds while the prisoner is incarcerated, and allowable expenditures of these funds. The application should also include a requirement to ensure prisoners do not owe back child support, court costs, or taxes to the county prior to the release of these funds to the prisoner.
- The Associate Circuit Division does not reconcile monthly open items listings to cash records for all cash accounts. The listings of liabilities for the current criminal and civil accounts contained numerous old cases which should be disposed of in accordance with state law. The listing prepared at December 31, 1999 for the current criminal account indicated a significant difference when compared to the reconciled bank balance for this account.
- The audit also includes recommendations to the Health Center concerning segregating duties, handling of receipts and improving property records.

Copies of the audit are available upon request.

BATES COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Bates County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Bates County, Missouri, as of and for the years ended December 31, 1999 and 1998, as identified in the table of contents. These special-purpose financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

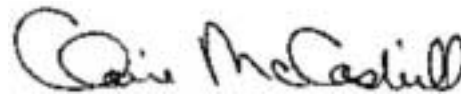
The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Bates County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Bates County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Bates County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 1999 and 1998, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated November 30, 2000, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Bates County, Missouri, and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill
State Auditor

November 30, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tiffany Blew
Audit Staff:	Garry Toot, CPA
	Ted Fugitt, CPA
	Rachel Simons
	Kim Fowler
	Mark Heater



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Bates County, Missouri

We have audited the special-purpose financial statements of various funds of Bates County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated November 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

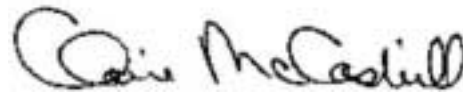
As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Bates County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Bates County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material

weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information of the management of Bates County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

November 30, 2000 (fieldwork completion date)

Financial Statements

Exhibit A-1

BATES COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1999

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 181,236	654,624	507,425	328,435
Special Road and Bridge	303,713	1,267,036	1,084,997	485,752
Assessment	5,469	133,524	129,466	9,527
Law Enforcement Training	16,741	10,153	10,386	16,508
Prosecuting Attorney Training	5,032	1,611	1,546	5,097
Law Enforcement Sales Tax	63,869	645,574	660,178	49,265
Recorder's User Fees	6,854	9,202	3,703	12,353
Sheriff's Civil Fees	9,797	8,350	13,500	4,647
Families in Crisis	0	1,300	1,210	90
Drug Abuse Resistance and Education	0	2,200	2,200	0
Local Emergency Planning Commission	7,122	2,572	1,629	8,065
Health Center	303,390	536,235	568,009	271,616
Prosecuting Attorney Delinquent Sales Tax	5,387	1,255	3,000	3,642
Prosecuting Attorney Bad Check	6,525	13,835	12,954	7,406
Sheriff's Federal Forfeiture	882	1,484	1,089	1,277
Prosecuting Attorney's Federal Forfeiture	3,271	31	0	3,302
Sheriff's Vest Donation	263	0	0	263
Law Library	1,786	6,295	5,150	2,931
Associate Circuit Division Interest	13,709	1,165	0	14,874
Circuit Clerk Interest	3,368	628	0	3,996
Senate Bill 40 Board	0	95,208	69,086	26,122
Total	\$ 938,414	3,392,282	3,075,528	1,255,168

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

BATES COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 1998

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 40,169	590,483	449,416	181,236
Special Road and Bridge	169,237	1,059,222	924,746	303,713
Assessment	3,646	129,237	127,414	5,469
Law Enforcement Training	13,582	8,831	5,672	16,741
Prosecuting Attorney Training	4,541	1,522	1,031	5,032
Law Enforcement Sales Tax	98,075	613,584	647,790	63,869
Recorder's User Fees	23,969	9,580	26,695	6,854
Sheriff's Civil Fees	2,461	7,336	0	9,797
Families in Crisis	105	1,295	1,400	0
Drug Abuse Resistance and Education	3,315	13,597	16,912	0
Local Emergency Planning Commission	6,536	2,691	2,105	7,122
Prosecuting Attorney Delinquent Sales Tax	5,704	2,683	3,000	5,387
Prosecuting Attorney Bad Check	804	13,392	7,671	6,525
Sheriff's Federal Forfeiture	1,991	0	1,109	882
Prosecuting Attorney's Federal Forfeiture	3,204	67	0	3,271
Sheriff's Vest Donation	263	0	0	263
Law Library	1,536	4,645	4,395	1,786
Associate Circuit Division Interest	12,587	1,122	0	13,709
Circuit Clerk Interest	2,758	1,237	627	3,368
Total	\$ 394,483	2,460,524	2,219,983	635,024

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

BATES COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 GENERAL REVENUE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 330,100	370,318	40,218	308,000	325,945	17,945
Intergovernmental	159,500	38,125	(121,375)	156,750	26,794	(129,956)
Charges for services	206,100	199,569	(6,531)	170,200	195,938	25,738
Interest	10,100	15,115	5,015	6,700	10,481	3,781
Other	7,250	6,497	(753)	4,350	6,325	1,975
Transfers in	25,000	25,000	0	25,000	25,000	0
Total Receipts	738,050	654,624	(83,426)	671,000	590,483	(80,517)
DISBURSEMENTS						
County Commission	69,714	85,906	(16,192)	58,762	58,496	266
County Clerk	63,755	58,697	5,058	53,440	53,733	(293)
Elections	15,050	10,542	4,508	29,700	24,333	5,367
Buildings and grounds	242,250	60,380	181,870	218,654	61,076	157,578
Employee fringe benefits	47,800	50,871	(3,071)	45,800	44,328	1,472
Ex Officio Collector	58,798	54,219	4,579	55,882	55,395	487
Recorder of Deeds	61,658	58,051	3,607	49,353	49,524	(171)
Circuit Clerk	9,400	8,851	549	10,200	9,566	634
Associate Circuit Court	12,100	4,959	7,141	12,250	5,189	7,061
Court administration	15,710	5,779	9,931	15,340	7,300	8,040
Public Administrator	21,150	31,951	(10,801)	19,100	19,360	(260)
Public health and welfare services	1,750	1,750	0	3,500	3,750	(250)
Other	84,400	75,469	8,931	55,105	52,366	2,739
Transfers out	15,000	0	15,000	15,000	5,000	10,000
Emergency Fund	16,000	0	16,000	16,000	0	16,000
Total Disbursements	734,535	507,425	227,110	658,086	449,416	208,670
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,515	147,199	143,684	12,914	141,067	128,153
CASH, JANUARY 1	181,236	181,236	0	40,169	40,169	0
CASH, DECEMBER 31	\$ 184,751	328,435	143,684	53,083	181,236	128,153

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

BATES COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 SPECIAL ROAD AND BRIDGE FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Property taxes	\$ 76,000	40,729	(35,271)	70,000	75,459	5,459
Intergovernmental	1,290,000	1,158,840	(131,160)	1,340,000	932,396	(407,604)
Charges for services	53,000	50,663	(2,337)	35,000	35,640	640
Interest	13,000	16,059	3,059	10,000	13,297	3,297
Other	0	745	745	0	2,430	2,430
Total Receipts	1,432,000	1,267,036	(164,964)	1,455,000	1,059,222	(395,778)
DISBURSEMENTS						
Salaries	165,080	147,955	17,125	145,117	137,673	7,444
Employee fringe benefits	51,100	42,271	8,829	0	36,468	(36,468)
Supplies	3,200	3,207	(7)	2,400	1,035	1,365
Insurance	11,500	13,312	(1,812)	11,500	10,850	650
Road and bridge materials	0	0	0	10,600	8,448	2,152
Equipment purchases and maintenance	115,500	124,188	(8,688)	116,500	129,832	(13,332)
Construction, repair, and maintenance	1,015,700	626,100	389,600	995,000	472,690	522,310
Distributions to road districts	125,000	99,700	25,300	125,000	99,700	25,300
Other	5,350	3,264	2,086	5,700	3,050	2,650
Transfers out	25,000	25,000	0	25,000	25,000	0
Total Disbursements	1,517,430	1,084,997	432,433	1,436,817	924,746	512,071
RECEIPTS OVER (UNDER) DISBURSEMENTS	(85,430)	182,039	267,469	18,183	134,476	116,293
CASH, JANUARY 1	303,713	303,713	0	169,237	169,237	0
CASH, DECEMBER 31	\$ 218,283	485,752	267,469	187,420	303,713	116,293

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit D

BATES COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 ASSESSMENT FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Intergovernmental	\$ 123,000	127,389	4,389	122,000	119,753	(2,247)
Charges for services	3,000	3,561	561	2,600	2,912	312
Interest	1,200	1,360	160	1,500	1,130	(370)
Other	500	1,214	714	500	442	(58)
Transfers in	15,000	0	(15,000)	15,000	5,000	(10,000)
Total Receipts	142,700	133,524	(9,176)	141,600	129,237	(12,363)
DISBURSEMENTS						
Assessor	142,600	129,466	13,134	143,194	127,414	15,780
Total Disbursements	142,600	129,466	13,134	143,194	127,414	15,780
RECEIPTS OVER (UNDER) DISBURSEMENTS	100	4,058	3,958	(1,594)	1,823	3,417
CASH, JANUARY 1	5,469	5,469	0	3,646	3,646	0
CASH, DECEMBER 31	\$ 5,569	9,527	3,958	2,052	5,469	3,417

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit E

BATES COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LAW ENFORCEMENT TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Intergovernmental	\$ 0	2,922	0	1,907	1,907	
Charges for services	6,000	6,424	5,000	6,056	1,056	
Interest	700	647	800	718	(82)	
Other	0	160	0	150	150	
Total Receipts	6,700	10,153	5,800	8,831	3,031	
DISBURSEMENTS						
Sheriff	12,250	10,386	11,250	5,672	5,578	
Total Disbursements	12,250	10,386	11,250	5,672	5,578	
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,550)	(233)	(5,450)	3,159	8,609	
CASH, JANUARY 1	16,741	16,741	13,582	13,582	0	
CASH, DECEMBER 31	\$ 11,191	16,508	8,132	16,741	8,609	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit F

BATES COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
PROSECUTING ATTORNEY TRAINING FUND

Year Ended December 31,						
1999			1998			
		Variance			Variance	
		Favorable			Favorable	
		(Unfavorable)			(Unfavorable)	
	Budget	Actual	Budget	Actual		
RECEIPTS						
Charges for services	\$ 1,500	1,611	2,000	1,522	(478)	
Total Receipts	1,500	1,611	2,000	1,522	(478)	
DISBURSEMENTS						
Prosecuting Attorney	1,500	1,546	1,500	1,031	469	
Total Disbursements	1,500	1,546	1,500	1,031	469	
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	65	500	491	(9)	
CASH, JANUARY 1	5,032	5,032	4,541	4,541	0	
CASH, DECEMBER 31	\$ 5,032	5,097	5,041	5,032	(9)	

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit G

BATES COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 LAW ENFORCEMENT SALES TAX FUND

	Year Ended December 31,					
	1999			1998		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS						
Sales taxes	\$ 460,000	477,643	17,643	465,000	455,800	(9,200)
Intergovernmental	134,800	115,932	(18,868)	112,508	110,585	(1,923)
Charges for services	17,150	36,310	19,160	19,300	15,822	(3,478)
Interest	3,600	1,158	(2,442)	5,000	3,599	(1,401)
Other	6,900	8,331	1,431	1,500	6,866	5,366
Transfers in	21,000	6,200	(14,800)	19,000	20,912	1,912
Total Receipts	643,450	645,574	2,124	622,308	613,584	(8,724)
DISBURSEMENTS						
Sheriff	266,250	270,012	(3,762)	273,394	265,175	8,219
Jail	114,975	108,183	6,792	102,016	95,465	6,551
Prosecuting Attorney	104,690	107,916	(3,226)	87,614	88,752	(1,138)
Juvenile Officer	95,798	74,057	21,741	103,554	97,571	5,983
County Coroner	10,410	9,234	1,176	10,210	8,669	1,541
Emergency management	16,050	11,032	5,018	15,892	14,104	1,788
Fringe benefits	71,550	72,738	(1,188)	72,050	66,720	5,330
Other	18,418	7,006	11,412	7,800	11,334	(3,534)
Total Disbursements	698,141	660,178	37,963	672,530	647,790	24,740
RECEIPTS OVER (UNDER) DISBURSEMENTS	(54,691)	(14,604)	40,087	(50,222)	(34,206)	16,016
CASH, JANUARY 1	63,869	63,869	0	98,075	98,075	0
CASH, DECEMBER 31	\$ 9,178	49,265	40,087	47,853	63,869	16,016

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit H

BATES COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
RECORDER'S USER FEES FUND

		Year Ended December 31,					
		1999			1998		
				Variance			Variance
				Favorable			Favorable
		Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
RECEIPTS							
Charges for services	\$	8,600	8,864	264	7,000	8,924	1,924
Interest		650	338	(312)	500	656	156
Total Receipts		9,250	9,202	(48)	7,500	9,580	2,080
DISBURSEMENTS							
Recorder		10,300	3,703	6,597	28,000	26,695	1,305
Total Disbursements		10,300	3,703	6,597	28,000	26,695	1,305
RECEIPTS OVER (UNDER) DISBURSEMENTS		(1,050)	5,499	6,549	(20,500)	(17,115)	3,385
CASH, JANUARY 1		6,854	6,854	0	23,969	23,969	0
CASH, DECEMBER 31		\$ 5,804	12,353	6,549	3,469	6,854	3,385

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit I

BATES COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
SHERIFF'S CIVIL FEES FUND

Year Ended December 31,			
1999			
			Variance
	Budget	Actual	Favorable
			(Unfavorable)
RECEIPTS			
Charges for services	\$ 7,500	7,793	293
Interest	0	557	557
Total Receipts	7,500	8,350	850
DISBURSEMENTS			
Sheriff	10,500	13,500	(3,000)
Total Disbursements	10,500	13,500	(3,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000)	(5,150)	(2,150)
CASH, JANUARY 1	9,797	9,797	0
CASH, DECEMBER 31	\$ 6,797	4,647	(2,150)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit J

BATES COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
FAMILIES IN CRISIS FUND

Year Ended December 31,			
1999			
			Variance
	Budget	Actual	Favorable
			(Unfavorable)
RECEIPTS			
Intergovernmental	\$ 1,300	1,300	0
Total Receipts	1,300	1,300	0
DISBURSEMENTS			
Other	1,300	1,210	90
Total Disbursements	1,300	1,210	90
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	90	90
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 0	90	90

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit K

BATES COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
DRUG ABUSE RESISTANCE AND EDUCATION FUND

Year Ended December 31,			
1999			
			Variance
	Budget	Actual	Favorable
			(Unfavorable)
RECEIPTS			
Intergovernmental	\$ 17,000	2,200	(14,800)
Total Receipts	17,000	2,200	(14,800)
DISBURSEMENTS			
Transfers out	17,000	2,200	14,800
Total Disbursements	17,000	2,200	14,800
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0
CASH, JANUARY 1	0	0	0
CASH, DECEMBER 31	\$ 0	0	0

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit L

BATES COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
LOCAL EMERGENCY PLANNING COMMISSION FUND

Year Ended December 31,			
1999			
			Variance
	Budget	Actual	Favorable
			(Unfavorable)
RECEIPTS			
Intergovernmental	\$ 3,000	2,572	(428)
Total Receipts	3,000	2,572	(428)
DISBURSEMENTS			
Other	7,000	629	6,371
Transfers out	1,000	1,000	0
Total Disbursements	8,000	1,629	6,371
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,000)	943	5,943
CASH, JANUARY 1	7,122	7,122	0
CASH, DECEMBER 31	\$ 2,122	8,065	5,943

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit M

BATES COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
 HEALTH CENTER FUND

	Year Ended December 31,		
	1999		
	Budget	Actual	Variance Favorable (Unfavorable)
RECEIPTS			
Property taxes	\$ 109,811	115,015	5,204
Intergovernmental	646,903	377,288	(269,615)
Charges for services	12,530	14,875	2,345
Interest	15,000	17,001	2,001
Other	8,050	12,056	4,006
Total Receipts	792,294	536,235	(256,059)
DISBURSEMENTS			
Salaries	535,153	388,457	146,696
Office expenditures	79,300	76,858	2,442
Equipment	4,800	15,532	(10,732)
Mileage and training	27,341	12,602	14,739
Contract services	10,350	10,031	319
Other	100,000	64,529	35,471
Total Disbursements	756,944	568,009	188,935
RECEIPTS OVER (UNDER) DISBURSEMENTS	35,350	(31,774)	(67,124)
CASH, JANUARY 1	303,390	303,390	0
CASH, DECEMBER 31	\$ 338,740	271,616	(67,124)

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

BATES COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Bates County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 1994 and RSMo Cumulative Supp. 1999, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Sheriff's Civil Fees Fund	1998
Families in Crisis Fund	1998

Drug Abuse Resistance and Education Fund	1998
Local Emergency Planning Commission Fund	1998
Prosecuting Attorney Bad Check Fund	1999 and 1998
Sheriff's Federal Forfeiture Fund	1999 and 1998
Prosecuting Attorney's Federal Forfeiture Fund	1999 and 1998
Sheriff's Vest Donation Fund	1999 and 1998
Law Library Fund	1999 and 1998
Associate Circuit Division Interest Fund	1999 and 1998
Circuit Clerk Interest Fund	1999 and 1998
Senate Bill 40 Board Fund	1999

Warrants issued were in excess of budgeted amounts for the Prosecuting Attorney Training Fund and Sheriff's Civil Fees Fund in 1999. Section 50.740, RSMo 1994, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 1994, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Health Center Fund	1999
Prosecuting Attorney Bad Check Fund	1999 and 1998
Prosecuting Attorney's Federal Forfeiture Fund	1999 and 1998
Sheriff's Vest Donation Fund	1999 and 1998
Law Library Fund	1999 and 1998
Associate Circuit Division Interest Fund	1999 and 1998
Circuit Clerk Interest Fund	1999 and 1998
Senate Bill 40 Board Fund	1999

2. Cash

Section 110.270, RSMo 1994, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo Cumulative Supp. 1999, requires political subdivisions with authority to invest in instruments other than

depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's deposits at December 31, 1999 and 1998, and the Health Center Board's and Senate Bill 40 Board's deposits at December 31, 1999, were entirely covered by federal depository insurance or by collateral securities held by the county's, Health Center Board's, or Senate Bill 40 Board's holding bank in the county's, Health Center Board's, or Senate Bill 40 Board's name.

Supplementary Schedule

BATES COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1999 AND 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness identified?

_____ yes X no

Reportable condition identified that is
not considered to be a material weakness?
reported

_____ yes X none

Noncompliance material to the financial statements
noted?

_____ yes X no

Federal Awards

Internal control over major program:

Material weakness identified?

_____ yes X no

Reportable condition identified that is
not considered to be a material weakness?
reported

_____ yes X none

Type of auditor's report issued on compliance for
major program:

Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133?

_____ yes X no

Identification of major program:

CFDA or
Other Identifying

Number
20.205

Program Title

Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes X no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Notes to the Supplementary Schedule

BATES COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Bates County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Food Distribution Program (CFDA number 10.550) represent the dollar value assigned to commodities based on prices provided by the state Department of Social Services.

Amounts for Equitable Sharing of Seized and Forfeited Property (CFDA number 16.unknown) represent the county's share of seized monies or property.

Of the amounts for Immunization Grants (CFDA number 93.268), \$21,898 and \$23,510 represent the original acquisition cost of other vaccines purchased by the Centers for Disease Control but distributed to the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The amounts for the Preventive Health and Health Services Block Grant (CFDA number 93.991), \$261 and \$584, represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. Of the amounts for the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994), \$1,303 and \$2,043 also represent the original acquisition cost of vaccines received by the Health Center through the state Department of Health during the years ended December 31, 1999 and 1998. The remaining pass-through amounts for Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 1999 and 1998.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Bates County, Missouri

Compliance

We have audited the compliance of Bates County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1999 and 1998. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

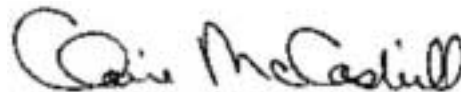
In our opinion, Bates County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 1999 and 1998.

Internal Control Over Compliance

The management of Bates County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of Bates County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

November 30, 2000 (fieldwork completion date)

Schedule

BATES COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 1999 AND 1998

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness identified?

_____ yes X no

Reportable condition identified that is
not considered to be a material weakness?
reported

_____ yes X none

Noncompliance material to the financial statements
noted?

_____ yes X no

Federal Awards

Internal control over major program:

Material weakness identified?

_____ yes X no

Reportable condition identified that is
not considered to be a material weakness?
reported

_____ yes X none

Type of auditor's report issued on compliance for
major program:

Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133?

_____ yes X no

Identification of major program:

CFDA or
Other Identifying

Number
20.205

Program Title

Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes X no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

BATES COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

BATES COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

Our prior audit report issued for the two years ended December 31, 1997, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

BATES COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the special-purpose financial statements of various funds of Bates County, Missouri, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated November 30, 2000. We also have audited the compliance of Bates County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 1999 and 1998, and have issued our report thereon dated November 30, 2000.

We also have reviewed the operations of elected officials with funds other than those presented in the special-purpose financial statements. As applicable, the objectives of this review were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable constitutional, statutory, or contractual provisions.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our review, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Because the Bates County Memorial Hospital Board was audited and separately reported on by other independent auditors for the two years ended December 31, 1999, the related fund is not presented in the special-purpose financial statements. However, we reviewed that audit report and the substantiating working papers.

Because the Health Center Board was audited and separately reported on by other independent auditors for the year ended December 31, 1998, the related fund is not presented in the special purpose financial statements for the year ended December 31, 1998. However, we reviewed that audit report and the substantiating working papers.

Our review was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our review of the elected county officials and the county boards referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the special-purpose financial statements of Bates County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Prosecuting Attorney's Controls and Procedures
--

During our review of the Prosecuting Attorney's procedures, the following concerns were noted:

- A. A deferred prosecution fee of \$50 is collected on criminal cases which are not prosecuted, with the understanding that charges will not be filed unless the defendant has other violations during the subsequent two years. These fees are used to fund a petty cash fund in the Prosecuting Attorney's office. Our review of the deferred prosecution fees and petty cash fund revealed the following concerns:
 - 1) The Prosecuting Attorney could provide no legal authority for the collection of the deferred prosecution fee.
 - 2) Receipt slips are not issued for deferred prosecution fees received. While a deferred prosecution agreement is signed by the defendant showing the amount received, these forms are not prenumbered and are not accounted for properly. The Prosecuting Attorney was unable to provide us a listing of the cases for which a deferred prosecution fee was received, and does not maintain copies of all agreements. Due to inadequate record keeping and lack of supporting documentation of these monies, we were unable to determine the total amount received for deferred prosecution fees during 1998 and 1999. While the Prosecuting Attorney estimated approximately \$500 was received for deferred prosecution fees during 1998 and 1999, the amount actually received could have been significantly more. To adequately account for all monies received, prenumbered receipt slips should be issued for all receipts and the numerical sequence accounted for properly.
 - 3) Deferred prosecution fees received are not deposited nor remitted to the county treasury as accountable fees; rather, they are used to purchase soda, coffee and snacks for office employees. A ledger showing receipts, disbursements, and balances for the petty cash fund is not maintained and invoices are not retained to support the expenditures of these funds. Such expenditures do not appear necessary for the operation of the office and do not appear to be a prudent use of public monies. If legal authority to collect such a fee is established, these monies would represent accountable fees.

Section 50.340, RSMo 1994, requires county officials to pay into the county treasury any accountable fees collected.

If a petty cash fund is determined to be necessary, it should be funded through the county treasury and a log of petty cash transactions, including invoices for expenditures, should be maintained. The invoices would be periodically submitted to the county for reimbursement to the petty cash fund.

B. Section 570.120, RSMo 1994, allows the Prosecuting Attorney to charge an administrative handling fee for the collection of bad check restitutions. This section requires the fees to be deposited by the County Treasurer into a separate interest-bearing fund to be expended based on warrants issued by the Prosecuting Attorney. The following concerns were noted in our review of the Prosecuting Attorney Bad Check Fund:

- 1) Contrary to state law, the Prosecuting Attorney has custody of the Prosecuting Attorney Bad Check Fund. The December 31, 1999 balance was \$7,406. The Prosecuting Attorney indicated he maintains custody of this fund because he believes his office budget, funded by the General Revenue fund, would be reduced if the County Commission was aware of the balance of this fund. Various questionable expenditures went without outside review as a result of the Prosecuting Attorney having full control and custody of these funds.
- 2) In December 1999 and 1998, the Prosecuting Attorney authorized payments from the fund totaling \$625 and \$450, respectively, to his employees as bonuses. These payments were not included in the county payroll records, were not subject to the proper withholdings, and were not reported on the employees' W-2 forms. In addition, bonuses are prohibited by Article III, Section 39 of the Missouri Constitution.
- 3) During 1999 and 1998, premiums totaling \$1,160 for a professional liability policy were paid from the Prosecuting Attorney Bad Check Fund. Since at least a portion of these expenditures were apparently for private purposes, the use of such public funds is questionable.
- 4) During the two years ended December 31, 1999, the Prosecuting Attorney was reimbursed from the Prosecuting Attorney Bad Check Fund for expenses incurred while attending training seminars. The total reimbursements during the two years for meals while attending these seminars was \$540. Meal charges of \$30 per day, and in one instance \$40 per day, exceeded the county's travel expense policy of \$15 per day. As a result, it appears the Prosecuting Attorney was reimbursed a total of \$285 that was in excess of the amounts allowed by the county's travel expense policy. If the Prosecuting Attorney believes the county meal limit is too low, this issue should be brought to the attention of the County Commission for review.

- C. Monthly listings of open items are not reconciled to the cash balance for the restitution account and interest earned on this account is not turned over to the county treasury. The Prosecuting Attorney receives restitution, bad check payments, and bad check fees. These monies are initially deposited into the restitution account. Restitution and bad check amounts collected for victims and merchants are paid to the applicable parties through out the month. At month end, the Prosecuting Attorney administrative handling fee for bad checks is transferred to the bad check fund. A ledger, which serves as the open items listing, is maintained to account for restitution checks returned by the post office because the victim could not be located, and small over- or underpayments. However, this balance is not reconciled to the bank account. As of December 31, 1999, the restitution account balance exceeded the ledger balance by \$297. At least a portion of this difference appears to be accumulated interest which should be turned over to the County Treasurer.

Monthly listing of open items should be prepared and reconciled to the cash balances to ensure the records are in balance and that sufficient cash is available for the payment of all liabilities. Further, the Prosecuting Attorney should attempt to determine the reasons for this difference. Accumulated interest should be turned over to the county. If proper disposition of the unidentified monies cannot be determined, these monies should be disposed of in accordance with state law.

- D. In November 1999, \$3,793 was paid out as restitution to individuals other than those the money was collected on behalf of. The Prosecuting Attorney was unable to provide legal justification for his decision to do this. The Prosecuting Attorney indicated he believed these funds were disposed of properly, since the intended payees could not be located. By disposing of these funds in this manner, the Prosecuting Attorney has established a potential liability for his office, if the intended payees request these funds in the future. When the intended payee cannot be located these monies should be disposed of in accordance with state law.
- E. The Prosecuting Attorney maintains custody of the Prosecuting Attorney's Federal Forfeiture account, which is used for law enforcement purposes. The December 31, 1999 balance was \$3,302, and was composed primarily of proceeds from seizures by the U.S. Department of Justice.

Missouri Attorney General's Opinion No. 45, 1992, to Henderson states that the Prosecuting Attorney of a third class county is not authorized to maintain a bank account for law enforcement purposes separate from the county treasury. This account balance should be transferred to the County Treasurer for deposit into a separately established fund, and future receipts should be transmitted to the County Treasurer.

Similar conditions were noted in our previous reports.

WE AGAIN RECOMMEND the Prosecuting Attorney:

- A. Discontinue collecting deferred prosecution fees until legal authority for such a fee is established. If the authority to collect this fee is established, prenumbered receipt slips should be issued for all monies received and the numerical sequence of receipt slips issued should be accounted for properly. In addition, any petty cash funds on hand should be turned over to the county treasury and all fees received should either be turned over to the county treasury as received or deposited intact into the prosecuting attorney's official bank account and then subsequently turned over to the county treasury.

If a petty cash fund is maintained, it should be funded by the county and a log of petty cash fund transactions, including invoices for expenditures, should be maintained to properly document the financial activity of the fund. In addition, the Prosecuting Attorney should ensure all future expenditures represent a prudent use of public funds.

- B.1. Turn over custody of the Prosecuting Attorney Bad Check Fund to the County Treasurer.
 - 2. Discontinue the practice of paying employee bonuses.
 - 3. Reimburse the Prosecuting Attorney Bad Check Fund for the amount of premiums paid for insurance for the Prosecuting Attorney's private practice.
 - 4. Ensure any travel expenses claimed for reimbursement are necessary, reasonable, and in accordance with the county's travel policy.
- C. Prepare monthly listings of open items and reconcile the listings to the cash balances. Interest earned monthly, along with any accumulated interest, should be turned over to the County Treasurer.
- D. Disburse unidentified monies in accordance with the state law.
- E. Turn over custody of the Federal Forfeiture account to the County Treasurer to be placed in a separate fund.

AUDITEE'S RESPONSE

- A. *While I do not plan to discontinue collection of this fee at this time, I will ensure receipts are issued and proper documentation is maintained in the future. At this time, I do not intend to turn these funds over to the county treasury. While I plan to continue to maintain a petty cash fund, I will ensure adequate documentation is maintained in the future.*
- B.1. *I will address this issue with the County Commission by April 1, 2001 and would be willing*

to turn this fund over to the county treasury if they can assure me this will not affect my general revenue budget.

2. *State law authorizes payment of salaries from the Bad Check Fund. I will attempt to ensure any future payments are made appropriately.*
3. *This policy has been terminated as of December 31, 2000. I intend to reinstate the policy, but will ensure only the portion which relates to my duties as Prosecuting Attorney are paid from county funds. Currently, prosecutorial immunity does not extend to legal advice given to law enforcement agencies; therefore, I believe this policy is necessary. I am currently working with the insurance company to determine the portion of this policy in past years which went towards my private practice's insurance. I hope to resolve this issue by July 1, 2001. I do not believe this amount would be significant considering the small number of civil cases I handle.*
4. *I believe any travel or meal charges incurred and paid to me were necessary and reasonable. I think the county's travel and expense policy should be reviewed. I am mandated to receive 20 hours of continuing training per year and do not believe I should fund a portion of my travel expenses out of my own pocket while performing county business.*
- C. *Interest is no longer earned on this account. We plan to review the difference noted above; any accumulated interest that exists, if any, will be turned over to the county treasury. We will work to resolve this difference in accordance with state law.*
- D. *We agree and are now disbursing these funds in accordance with state law. At least a portion of the funds referred to above were on hand at the time I originally took office and records were unavailable to determine the intended payees of these funds. This sum was accumulated over the course of a number of years and I believed it would be in the best interest of the taxpayers to disburse these funds to the victims in Bates County.*
- E. *The practice of sharing in forfeitures has been discontinued. I will discontinue holding these funds if a compromise can be reached regarding our budget.*

AUDITOR'S COMMENT

- A. Collecting unauthorized fees from defendants should be discontinued and authorized fees should be properly accounted for.

2. Budgetary Practices and Published Financial Statements
--

- A. Formal budgets were not prepared for some county funds and budgets were not obtained from other county officials for some county funds held outside the county treasury for the years ended December 31, 1999, and 1998. Chapter 50, RSMo 1994, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county

funds and activities, the County Commission is able to more effectively evaluate all county financial resources.

- B. The annual published financial statements of the county did not include the financial activity of some county funds as required. Section 50.800, RSMo 1994, provides that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

Similar conditions were noted in our prior two reports.

WE AGAIN RECOMMEND the County Commission:

- A. Ensure budgets are prepared for all county funds in accordance with state law.
- B. Ensure financial information for all county funds is properly reported in the annual published financial statements.

AUDITEE'S RESPONSE

- A. *We prepared budgets in 2001 for most funds we have access to and will prepare budgets for all funds we have access to in 2002.*
- B. *We plan to implement this by March 2002 for all funds we have access to.*

3. Sheriff's Policies and Procedures

- A. The Sheriff's department houses prisoners for other counties and cities in the county jail. No written agreements exist with any of these entities for these services. Section 432.070, RSMo 1994, states all contracts entered into by the county shall be in writing and shall be signed by each of the parties or their agents.
- B. The Sheriff has not established a written policy to govern the operation of the prisoner work release program. This policy should require the prisoner to sign an application for work release, which establishes the terms and conditions for the program. The terms and conditions should include, at a minimum, who the employer is, work schedule, work site location, who receives the prisoner's paycheck, who is to maintain the funds while the prisoner is incarcerated, and allowable expenditures of these funds. The application should also include a requirement to ensure prisoners do not owe back child support, court costs, or taxes to the county prior to the release of these funds to the prisoner.

Without policies and procedures to govern the work release program, the Sheriff has less assurance that the program is operating effectively and that prisoners on work release pay their obligations to the county prior to their release.

A condition similar to A was noted in our prior report.

WE RECOMMEND the Sheriff:

- A. Obtain written agreements for boarding prisoners to and for other entities.
- B. Establish policies and procedures to govern the prisoner work release program.

AUDITEE'S RESPONSE

- A. *While I agree with the auditor's concern here, I do not see the necessity for written agreements at this time. I have a good relationship with the Sheriffs in the surrounding counties who we typically house prisoners for. These surrounding counties do not require written agreements from Bates County and I do not see the need, at this time, to require them to sign an agreement. I will keep this recommendation in mind and if the need arises in the future I will review the situation further.*
- B. *I am in the process of developing a policy similar to Henry County's work release policy and plan to implement it by August 1, 2001.*

4. Associate Circuit Division Records and Controls

- A. Accounting and bookkeeping duties are not adequately segregated. Currently, the responsibilities of collecting, recording, and depositing receipts are performed by any of the three employees of this office, while month-end reconciliations and preparing and signing checks are assigned to one employee. There is no documented independent review of the accounting records and reconciliations.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation cannot be achieved, the Associate Judge should at least compare bank deposits with recorded receipts and review monthly reconciliations. Proper supervision and documented reviews help ensure that financial records are properly maintained and help detect errors on a timely basis.

- B. The Associate Circuit Division Clerk maintains three bank accounts: one for civil case fees, one for current criminal costs, fines, and bonds, and a third for old criminal cases and bonds. The open items listing for the civil account was not generated off the computer for 1998, 1999 or January through March 2000, until April 2000. An open items listing is generated monthly for the current criminal account, but listings

are no longer prepared for the old bond account. The December 1999 current criminal and civil open items listings were not accurate. The balances shown for several cases on these listings did not agree to the amount shown in the case files. The Associate Clerk also indicated these listings were not accurate and that case files are used to determine amounts due to individuals. We attempted to reconcile the December 1999 listings for the three bank accounts to the reconciled bank balances. At December 31, 1999, the current criminal account and old criminal and bond account reconciled bank balances were less than identified liabilities by \$13,770 and \$524, respectively, and the civil account reconciled bank balance exceeded identified liabilities by \$3,740. The Associate Division has taken no action to investigate the apparent shortages in the current criminal and old criminal and bond accounts, or to update the inaccurate open items listings. To ensure that receipts and disbursements are properly handled and accurately posted to the case files, and that there is sufficient cash to cover all liabilities for open cases, a complete and accurate open items listing should be prepared monthly and reconciled to the cash balances.

The division's policy requires full payment of fines and costs for criminal cases before any funds are distributed. The December 31, 1999 criminal open items listing totals \$60,195 and contains some cases which originated as far back as 1992. Attorney General's opinion No. 26, 1973 to Osborne, concluded that "If, when liability has been established, accrued costs cannot be collected in full, charges not having any statutory priority or not allocated under court rule should be prorated". Failure to prorate monies when it is unlikely the balances will be collected, deprives the state and county of the use of those monies.

In addition, the December 31, 1999 civil account open items listing totals \$3,493 and includes cases which show a negative balance, or represent monies owed to the division, and contains some cases which originated as far back as 1979. The Associate Clerk indicated the division will occasionally pay out costs prior to receiving the funds. In these instances, the attorney handling the case is notified and reimbursement is received by the division.

Old inactive cash balances increase the volume of cases which must be monitored and controlled, putting a greater burden on limited personnel resources. If the division is unable to locate the payees of these civil funds, the monies should be distributed in accordance with state law.

Only by preparing open items listings on a monthly basis and comparing it to the reconciled cash balance can the Associate Division be assured that records are in balance and that sufficient cash is available to cover liabilities. The Associate Judge should take action to investigate the shortages which appear to exist in the current and old criminal bond accounts.

A condition similar to B was noted in our four previous reports.

WE RECOMMEND the Associate Circuit Division:

- A. Segregate the duties of handling, recording, distributing, and reconciling cash. If segregation of duties is not possible, at a minimum, an independent review of the receipts and deposits and monthly bank reconciliations should be performed and documented.
- B. Prepare monthly open items listings for all cash accounts and reconcile to the monthly cash records. The Division should determine reasons for all unidentified cash balances or shortages, make adjustments to the accounting records for identified differences, and investigate fluctuations in the unidentified balances in a timely manner. Any monies remaining unidentified should be disposed of in accordance with the unclaimed property statutes. In addition, the Division should pursue collection of costs accrued on old cases. If collection of such costs cannot be made, monies held by the division should be distributed on a pro-rata basis.

AUDITEE'S RESPONSE

- A. *We agree and will make procedural changes regarding this issue effective March 1.*
- B. *We agree and plan to review this issue closely. We will prepare a preliminary summary of progress by July 1, 2001 with a follow-up progress report by November 30, 2001. We hope to have this issue resolved by February 2002.*

We would like to get to the point where monies are not held for periods of time, which would alleviate the need for an open items listing.

5. Health Center Accounting Controls and Procedures
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- A. Accounting and bookkeeping duties are not adequately segregated. Currently, the responsibilities of collecting, recording, and depositing receipts, reconciliations, and preparing and signing checks are assigned to the Health Center Administrator. There is no documented independent review of these functions.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation cannot be achieved, at a minimum, a comparison of bank deposits with recorded receipts and a review of monthly reconciliations should be performed. Proper supervision and documented reviews help ensure that financial records are properly maintained and help detect errors on a timely basis.

- B. Receipt slips are not always issued for monies received. The Health Center began issuing receipts slips in May 2000, but prior to that date no receipt slips were issued.

To adequately account for all receipts, prenumbered receipt slips should be issued for all monies received and the numerical sequence should be accounted for properly.

- C. An annual inventory of all general fixed assets, and a quarterly inspection of all lands and buildings is not conducted. In addition, property records have not been updated since June 1999 and an acquisition date is not noted in the property records. Adequate general fixed asset records and procedures are necessary to meet statutory requirements, secure better internal controls over Health Center property, and provide a basis for determining proper insurance coverage of Health Center property. Annual inventories of Health Center property are necessary to ensure the fixed asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets.

WE RECOMMEND the Health Center Board:

- A. Segregate the duties of handling, recording, distributing, and reconciling cash. If segregation of duties is not possible, at a minimum, an independent review of receipts and deposits and monthly bank reconciliations should be performed and documented.
- B. Issue receipt slips for all monies received and account for the numerical sequence of all receipt slips issued.
- C. Perform and document annual inventories of Health Center owned property and update the fixed asset records for unrecorded property additions and dispositions.

AUDITEE'S RESPONSE

The Health Center Administrator provided the following responses:

- A. *We have implemented this.*
- B. *Effective May 2000, we now do this.*
- C. *We are currently in the process of implementing this recommendation.*

This report is intended for the information of the management of Bates County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on Prior Audit Findings

BATES COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Bates County, Missouri, on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended December 31, 1997.

The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the county should consider implementing these recommendations.

1. Budgetary and Reporting Practices

- A. Warrants were issued in excess of approved budgeted expenditures in the Special Road and Bridge Fund in 1997.
- B. Formal budgets were not prepared for various county funds for the years ended December 31, 1997 and 1996.
- C. The annual published financial statements of the county did not include the financial activity of some county funds as required.

Recommendation:

The County Commission:

- A. Not authorize warrants in excess of budgeted expenditures.
- B. Ensure budgets are prepared or obtained for all county funds.
- C. Ensure financial information for all county funds is properly reported in the annual published financial statements.

Status:

- A. Not implemented. Warrants were issued in excess of approved expenditures for two county funds. Although not repeated in the current MAR, our recommendation remains as stated above.

B&C. Not implemented. See MAR 2.

2. County Expenditures

Bids were not always advertised by the county. Some items were available from only one vendor in the area; however, documentation of sole source procurements was not maintained.

Recommendation:

The County Commission advertise bids for purchases in accordance with state law and retain documentation of these bids and justification for bid awards. If bids cannot be obtained or sole source procurement is necessary, the County Clerk should retain documentation of these circumstances.

Status:

Partially implemented. While it appears that the county is following applicable bidding requirements, instances where sole source procurement is necessary are not documented. Although not repeated in the current MAR, our recommendation remains as stated above.

3. Prosecuting Attorney's Procedures and Controls

A.1. Receipt slips were not issued for monies received unless requested by the payor.

2. The deferred prosecution fees were not turned over to the county treasury.

3. A petty cash fund ledger was not maintained.

4. Expenditures from the petty cash fund, totaling \$1,044, were spent for such items as soda, coffee, snacks, flowers, and employee meals.

B. The following concerns were noted with the Prosecuting Attorney Bad Check Fund:

1. The Prosecuting Attorney had custody of the Prosecuting Attorney Bad Check Fund.

2. The Prosecuting Attorney authorized the payment of bonuses to his employees. These payments were not recorded in the county payroll records, were not subject to proper withholdings, and were not reported on the employees' W-2 forms.

3. Premiums for a professional liability policy covering the Prosecuting Attorney's private practice were paid from the Prosecuting Attorney Bad Check Fund.

4. Expenditures from the Prosecuting Attorney Bad Check Fund included monies used for employee meals within the city of Butler.

5. The Prosecuting Attorney was reimbursed for expenses that were either unsubstantiated or in excess of the amounts allowed by the county's travel expense policies.

6. Documentation could not be located for a payment from the Prosecuting Attorney Bad Check Fund to an individual who served as an appointed special prosecutor. Furthermore, the fee to be paid to this individual was not fixed by the court and the court did not review the invoice submitted for payment.
 7. Some payroll amounts from the Prosecuting Attorney Bad Check Fund were omitted from employees' W-2 forms.
- C. Monthly listings of open items (liabilities) were not prepared for the restitution account.
 - D. The Prosecuting Attorney maintained an overage account for monies whose rightful disposition could not be determined. Monies were spent from this account for expert witness fees and there was no documentation to support why these unidentified monies should have been used for this purpose.
 - E. The Prosecuting Attorney earned interest income on the monies in his restitution account and did not turn over all accumulated interest to the county.

Recommendation:

The Prosecuting Attorney:

- A. Issue prenumbered receipts for all monies received and account for the numerical sequence. Detailed and summary receipt records should also be maintained to properly account for all fees received. In addition, the balance of the petty cash fund should be turned over to the county treasury and all fees received should either be turned over to the county treasury as received or deposited intact into the prosecuting attorney's official bank account and then subsequently turned over to the county treasury.

If a petty cash fund is to be maintained, a petty cash fund ledger showing beginning balance, receipts by source, expenditures by type, and ending balance should be maintained to properly document the financial activity of the fund. In addition, the Prosecuting Attorney should ensure all future expenditures represent a prudent use of public monies.

- B.1. Turn over custody of the Prosecuting Attorney Bad Check Fund to the County Treasurer.
2. Discontinue the practice of paying employee bonuses.
3. Reimburse the Prosecuting Attorney Bad Check Fund for the amount of premiums paid for insurance for the Prosecuting Attorney's private practice.

4. Ensure all future expenditures from this fund are for prudent county expenditures.
 5. Ensure any travel expenses claimed for reimbursement are necessary, reasonable, adequately documented, and in accordance with the county's travel policy. In addition, the Prosecuting Attorney should provide additional documentation to the County Commission so it can determine the propriety of the expenditures and if any amount of reimbursement is due to the Prosecuting Attorney Bad Check Fund.
 6. Ensure the fees paid to special prosecutors are set by the court and that the invoices for these fees are filed in court and approved by the judge prior to payment.
 7. Ensure all employee payroll is reported on employee W-2 forms and that amended W-2 forms be issued for prior years. In addition, these payroll functions should be turned over to the County Clerk and processed through the county's normal payroll.
- C. Prepare monthly listings of open items and reconcile the listings to the cash balances. An attempt should be made to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.
- D. Transfer \$464 from the Prosecuting Attorney Bad Check Fund to the overage account and attempt to identify the proper disposition of the amounts in the account. Any money remaining unidentified should be disbursed in accordance with state law.
- E. Turn over accumulated interest earned to the county.

Status:

A.,
B.1-3,
B.5,

C-E. Not implemented. See MAR 1.

B.4. Not implemented. There was approximately \$77 spent during the audit period for this purpose. Although not repeated in the current MAR, our recommendation remains as stated above.

B.6. Implemented. There have been no special prosecutors during the audit period.

B.7. Partially implemented. The additional salary is reported on a separate W-2. However, the payroll functions have not been turned over to the County Clerk to be processed through the county's regular payroll. Although not repeated in the current MAR, our recommendation remains as stated above.

4. Custody of Funds

The Sheriff and Prosecuting Attorney maintained bank accounts used for law enforcement purposes outside of the county treasury.

Recommendation:

The Sheriff and Prosecuting Attorney turn over custody of the Federal Forfeiture and Vest Donation accounts to the County Treasurer to be placed in separate funds established by the County Commission.

Status:

Partially implemented. The Sheriff's Federal Forfeiture account is now maintained by the County Treasurer and the Vest Donation account was closed in April 2000. However, the Prosecuting Attorney still maintains the Prosecuting Attorney's Federal Forfeiture account. See MAR 1.

5. County Clerk's Accounting Controls

No inventory records were maintained for plat books and maps.

Recommendation:

The County Clerk maintain inventory records of plat books and maps and periodically reconcile the number of plat books and maps purchased, sold, or given away to the number on hand.

Status:

Implemented.

6. Sheriff Agreements

The Sheriff's department housed prisoners for other counties and cities in the county jail; however, the Sheriff's department did not bill cities located within Bates County. No written agreement existed with any of these entities for these services.

Recommendation:

The county obtain written agreements for boarding prisoners to and for other entities.

Status:

Not implemented. See MAR 3.

7. Health Center

- A. Revenues and associated expenditures for the Building Healthy People program were never included in the Health Center's budgets.
- B. No independent appraisal was obtained for two properties purchased by the Health Center in 1997.

Recommendation:

The Health Center Board of Trustees:

- A. Ensure budget documents include all financial transactions.
- B. Ensure justification of the selection process is thoroughly documented and an independent appraisal is obtained for future land purchases. Additionally, the Health Center should continue efforts to sell the unneeded property.

Status:

- A. Implemented.
- B. Partially implemented. No other purchases of land have occurred. The Health Center is attempting to sell one of the properties and are discussing plans for the sale of the other property. Although not repeated in the current MAR, our recommendation remains as stated above.

8. Associate Circuit Division Records and Controls

The Associate Circuit Division Clerk maintained three cash accounts: one for civil case fees, one for current criminal costs, fines, and bonds, and a third for old criminal cases and bonds. While monthly listings of open items were generated for the three cash accounts and were compared to the ending cash balances, differences were not adequately investigated.

Recommendation:

The Associate Circuit Division attempt to investigate the unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.

Status:

Not implemented. See MAR 4.

STATISTICAL SECTION

History, Organization, and
Statistical Information

BATES COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1841, the county of Bates was named after Frederick Bates, a second governor of Missouri. Bates County is a township-organized, third-class county and is part of the Twenty-Seventh Judicial Circuit. The county seat is Butler, Missouri.

Bates County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials.

Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records of importance to the county's citizens.

Counties typically spend a large portion of their receipts to support general county operations and to build and maintain roads and bridges. The following chart shows from where Bates County received its money in 1999 and 1998 to support the county General Revenue and Special Road and Bridge Funds:

SOURCE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
Property taxes	\$ 411,047	21	401,404	24
Federal and state aid	1,196,965	62	959,190	58
Fees, interest, and other	313,648	17	289,111	18
Total	\$ 1,921,660	100	1,649,705	100

The following chart shows how Bates County spent monies in 1999 and 1998 from the General Revenue and Special Road and Bridge Funds:

USE	1999		1998	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
General county government	\$ 507,425	32	449,416	33
Highways and roads	1,084,997	68	924,746	67
Total	\$ 1,592,422	100	1,374,162	100

In addition, Bates County has a Law Enforcement Sales Tax Fund, with receipts of approximately \$645,000 and \$613,000 in 1999 and 1998, respectively, for the purpose of public safety.

The county maintains approximately 194 county bridges and 947 miles of county roads.

The county's population was 15,468 in 1970 and 15,025 in 1990. The following chart shows the county's change in assessed valuation since 1970:

		Year Ended December 31,				
		1999	1998	1985*	1980**	1970**
		(in millions)				
Real estate	\$	84.5	83.2	67.3	30.2	23.4
Personal property		37.9	36.1	21.4	13.9	6.9
Railroad and utilities		21.3	18.3	12.2	10.5	8.0
Total	\$	143.7	137.6	100.9	54.6	38.3

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Bates County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,	
		1999	1998
General Revenue Fund	\$	0.26	0.26
Health Center Fund		0.08	0.08
Senate Bill 40 Board Fund		0.07	0.07

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28,	
	2000	1999
State of Missouri	\$ 42,814	41,512
General Revenue Fund	382,496	372,994
Special Road Districts	8,417	7,876
Assessment Fund	63,579	57,811
Health Center Fund	113,037	108,831
Senate Bill 40 Board Fund	96,471	88,712
Schools	4,944,769	4,517,412
Townships	125,408	118,505
Township Special Road and Bridge Fund	480,316	454,097
Cities	30,459	28,048
County Employees' Retirement	30,392	28,104
Commissions and Fees:		
General Revenue Fund	53,883	47,750
Township Commissions	55,816	53,363
Total	<u>\$ 6,427,830</u>	<u>5,925,015</u>

Percentages of current taxes collected were as follows:

	Year Ended February 28,	
	2000	1999
Real estate	93.3 %	94.0 %
Personal property	88.3	89.0
Railroad and utilities	100.0	100.0

Bates County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction
Law Enforcement	\$.0050	None	None

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2000	1999	1998
County-Paid Officials:			
Terry Wheatley, Presiding Commissioner	\$	28,400	
Harold Weil, Presiding Commissioner			18,000
Gloria Pyeatt, Associate Commissioner		26,400	18,000
Everett Cummings, Associate Commissioner		26,400	18,000
Lucille Munday, Recorder of Deeds		40,000	28,000
Marlene Wainscott, County Clerk		40,000	30,500
Hugh Jenkins, Prosecuting Attorney		47,000	35,000
Duane Diehl, Sheriff		36,000	36,000
Gary Schowengerdt, County Coroner		6,500	6,500
June Cumpton, Public Administrator *		31,502	16,825
James Platt, Treasurer and Ex Officio County Collector, year ended March 31,	34,648	34,648	
Roger Pruden, County Assessor **, year ended August 31,		40,900	40,900
W.C. Lethcho, County Surveyor and Engineer ***		20,337	16,759

* Includes fees received from probate cases

** Includes \$900 annual compensation received from the state.

*** Compensation on a fee basis.

State-Paid Officials:

Diana Rich, Circuit Clerk	44,292	42,183
John M. O'Bannon, Associate Circuit Judge	87,235	85,158

A breakdown of employees (excluding the elected officials) by office at December 31, 1999, is as follows:

Office	Number of Employees Paid by	
	County	State
Circuit Clerk *	0	3
Recorder of Deeds	1	0
County Clerk	2	0
Prosecuting Attorney	3	0
Sheriff ***	18	0
Treasurer and Ex Officio County		
Collector	1	0
County Assessor	4	0
County Surveyor	1	0
Associate Division *	0	3
Probate Division	0	1
Road and Bridge	7	0
Health Center **	8	0
Total	<u>45</u>	<u>7</u>

* Includes one part time employee

** Includes two part-time employees

*** Includes eight part-time employees

In addition, the county pays a proportionate share of the salaries of other circuit court-appointed employees. Bates County's share of the Twenty-Seventh Judicial Circuit's expenses is 34.52 percent.